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UNCLAS SECTION 01 OF 02 PANAMA 000837

SIPDIS

SENSITIVE

DEPARTMENT FOR WHA/CEN
PM/DTCC PETER MAXWELL

E.O. 12958: N/A

TAGS: [ETTC](#) [KOMC](#) [PM](#) [LABOR](#) [HUMAN](#) [RIGHTS](#) [POLMIL](#)

SUBJECT: PANAMA RESPONSE TO BLUE LANTERN LEVEL 3

REF: STATE 40241

1. (SBU) Summary. Fire Arms International Inc. is a legitimate business. While the present government would not have approved the import request, it has no plans to revoke it. End Summary.

2. (SBU) Per reftel request, PolOff visited Fire Arms International Inc.'s President Vicente Banon Requena at the company's office. PolOff also spoke with Ministry of Government and Justice (MOGJ) Public Security Director Dr. Luis Adames and confirmed the company's bona fides. The 300 revolvers the company requested are commensurate with the legitimate local demand of its security firm customers. While Fire Arms International is likely to abide by USML restrictions, the MOGJ now believes the number of arms requested (and approved in July 2004) is too high, given that security firms often lose the guns to theft, a phenomenon that Fire Arms International confirmed.

3. (SBU) Fire Arms International is located in a nice residential neighborhood and is marked with the generic sign "Armory." The company stores its model weapons and arms for immediate pick up in a gun safe at its office. The company's officers are Requena (President), Attorney Mariluz Taveras Castillo (Secretary and Requena's wife), and Vilka Barrios (Treasurer). Requena's father-in-law, Renaul Espinozo Quintero, was company President from its incorporation in 1993 until his retirement in 2003.

4. (SBU) Requena provided the following information:

- Fire Arms International operated also as Precision Security (formed 1990) and Merlisstan Investment (formed 1993), two now defunct companies. The Ministry of Government and Justice (MOGJ) canceled Precision's re-export license a few years ago when the GOP eliminated such licenses. The company currently does not sell arms for re-exportation and understands the restrictions on USML items.

- Fire Arms International's principal customers are private security firms (60-70%). Other customers include the GOP, department stores, shopping centers, banks, and private citizens. Customers are located in Panama City and Panama's provinces.

- The Panamanian market for revolvers and pistols is about 2,000-2,500 annually. In 2002, the company had about 25% of the market but its sales decreased in 2003 because the GOP had not approved as many importation requests.

- While few crimes are committed in Panama with registered guns, security firms often need to replace guns that are lost, stolen, or damaged.

- From 1991 to November 2002 Firearms International and its predecessor companies sold about 5,200 revolvers, 2,600 pistols, and 900 rifles from a wide variety of international manufacturers.

- Requena, a Spanish born naturalized Panamanian, is also the Panamanian sales representative for Spanish companies Sercobe and Defex.

- The Panamanian market for small arms is shared by eight firms, only one of which (El Cazador, S.A.) is unreliable.

5. (SBU) Dr. Adames confirmed Fire Arms International's bona fides and provided the following additional information:

- The former company president has a good reputation.

- He is unaware of any derogatory information regarding the company.

- The Torrijos Administration is concerned with the inability of security firms to safely handle and control firearms and has begun revoking the licenses of some private security firms.

- The Torrijos Administration (which took office after the

company's request was approved) is no longer authorizing requests to import large numbers of firearms. A request for 300 revolvers is too large in the present context.

16. (SBU) Fire Arms International has an index card system for tracking its customers that includes the purchaser's photo, citizen identification number, weapon model and date purchased, and address. The company makes monthly written reports to the MOGJ on guns sold that contain most of this information. PolOff requested access to the company's accounts, but was told they had been sent out for a routine audit.

WATT